JWOD HANDBOOK Table of Contents

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JWOD = Government Operating at its Best For the Federal Government, buying JWOD supplies and services is good business.



JWOD: the answer to your outsourcing needs

JWOD Program Benefits

o many, the Javits-Wagner-O'Day (JWOD) Program is an example of Government operating at its best. While the purpose of the Program is—first and foremost—to provide employment and training for people who are blind or have other severe disabilities, it does not represent a handout. It is primarily a self-help program combining the resources of the public and private sectors. To participate in the JWOD Program as Federal suppliers, nonprofit agencies employing people who are blind or have other severe disabilities must demonstrate that they can offer quality supplies and services at fair market prices. If a nonprofit agency shows that it is capable of doing this with respect to a particular supply or service, and if certain other criteria are met, the Committee adds the item to the **Procurement List**. The Government must then purchase that supply or service from the qualified nonprofit agency(ies) indefinitely—as long as the item is needed and nonprofit agency performance and production meet applicable standards.

There are many benefits of the JWOD Program...

...To the Federal Government

Federal agencies participating in the JWOD Program experience a number of advantages, which collectively make JWOD procurements comparable to those accomplished through "best value" contracts:

- Acquisition of quality supplies and services. Supplies and services provided under this Program must meet or exceed all applicable specifications or performance standards. Special manufacturing or procedural techniques may be developed to adapt the work environment to meet the needs of individuals who are blind or have other severe disabilities. However, there are no modifications to the Government's specifications or quality requirements except those it is mutually agreed will lead to higher quality supplies and services. The relationship between JWOD vendors and the Government is a long-term partnership with a dependable supplier that can work with the Government on both product and process improvements.
- Assurance of on-time delivery. As with specifications, non-profit agencies providing supplies or services under the JWOD Act are required to ship/perform in compliance with the Government's schedule.
- Payment of a fair market price. Prices for supplies and services procured under JWOD are determined by the Committee, in cooperation with the contracting activity. To the extent

possible, prices are based on either recent procurements by the Government or the commercial market for comparable items. When appropriate comparative data are not available, prices are developed using nonprofit agency costs.

- Reduction of paperwork and pre/post-award costs. Once a supply or service is added to the Procurement List, the Government will continue to purchase it from the nonprofit agency by simply issuing purchase orders (or taking other steps devised by the contracting activity) as long as performance on price, quality and delivery is maintained by the nonprofit agency and the Government continues to need the item. There is no need to re-compete the item. This is a significant savings to the Government in terms of time and resources.
- Assistance from central points of contact. A unique advantage of the JWOD Program is its provision to contracting activities of a central point of contact in addition to the nonprofit agency providing the supply or service. In the event of problems, the designated organization—NIB or NISH—can be called upon by the nonprofit agency or the contracting activity to assist in their resolution. This assistance can take the form of engineering, management, and possibly even financial help. If a problem cannot be resolved through the efforts of the contracting activity, nonprofit agency, and NIB or NISH, the Committee staff is available to help.

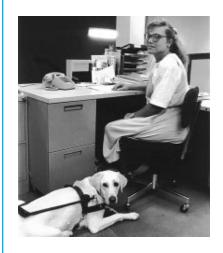
...To Individuals Who Are Blind or Have Other Severe Disabilities

JWOD work provides nonprofit agency employees with invaluable vocational opportunities not otherwise available, which result in additional income and increased independence. Two tremendous advantages realized are:

- A long-term work experience. Unlike many short-term commercial contracts that are here today, gone tomorrow; the procurement of supplies and services through JWOD provides long-term, stable employment for individuals who are blind or have other severe disabilities. In many cases, it is their only vocational option.
- Attainment of marketable job skills. Employment under JWOD provides a chance to develop job skills that offer opportunities for individual advancement. Through expanding their scope of experience and enhancing their abilities, some employees are able to tackle new assignments at increasingly higher levels of difficulty. This experience prepares them for a wider variety of jobs in competitive employment either within or outside of the nonprofit agency. Sometimes such individuals are recognized by the Federal personnel they are serving as well-trained candidates for vacant Federal positions.



To individuals who are blind or who have other severe disabilities, JWOD means long-term employment and cultivation of marketable job skills.



Taxpayers are tax-savers thanks to the JWOD Program.

The JWOD Program generates employment for approximately 30,000 people with severe disabilities annually.

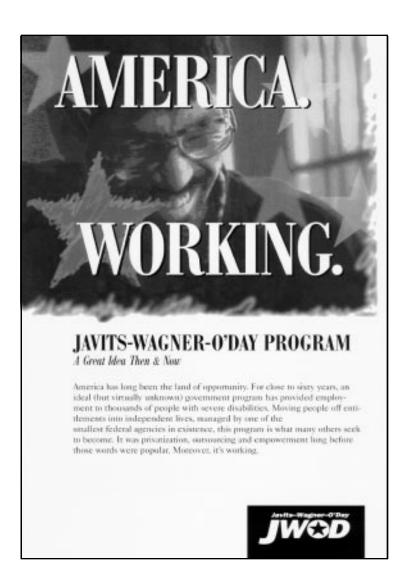


JWOD brochures, catalogs, flyers and other promotional materials are available free of charge. Call (703) 603-7740.

...To Taxpayers

The taxpayer realizes some important benefits too:

- JWOD is not another "handout" program. The JWOD Act does not put individuals with severe disabilities on the Federal "dole." It does, however, give them an opportunity to work. Nonprofit agencies must ship on time, at prices set by the Government, and they must meet quality requirements. If they do not, the Committee can authorize contracting activities to purchase the item(s) involved from other sources, and, if problems persist, can remove the items involved from the Procurement List.
- JWOD employment helps reduce dependence on Government benefits and increase tax revenues. Nonprofit agencies operating under the JWOD Act pay wages that permit people with severe disabilities to reduce their need for other Governmental benefits. Work under the JWOD Program was one of the first vocational options to offer good wages to employees who are blind or have other severe disabilities, and thereby enable them to join the ranks of taxpayers!



Members of the JWOD Team

The JWOD Program is a team effort. The active participation and commitment of each member of the team is essential if the Congressional intent reflected in 41 USC 46-48 is to be achieved.

Federal Personnnel

ederal Government personnel, particularly those employed by contracting activities, are critical to the success of the JWOD Program. As indicated in the Committee's regulations at 41 CFR Parts 51-1 and 51-5, support is required during all phases to ensure that the Program is effectively carried out.

While it might appear that support for the JWOD Program can only be provided by Federal employees with procurement responsibilities, other Federal personnel have a role to play as well. Every Federal employee is affected in some way by the supplies and services purchased by the Government. Many supply clerks and program officials now have the authority to select and purchase supplies with Government credit cards, while individuals in management positions are often capable of establishing policies that reflect the type of proactive approach to supporting the Program advocated by the Committee.

Consequently, this Handbook was developed to help all Federal personnel understand the JWOD Program and ways they can support it. In addition, it is intended to convey to contracting activity staff the role they are expected to play in its implementation. This role, which is consistent with the Competition in Contracting Act (P.L. 98-369), is described in more detail in a subsequent section of this document. It includes:

- Suggesting to the Committee, NIB, or NISH supplies or services which could be considered for addition to the **Procurement List**;
- Providing the procurement history and other relevant information needed to determine whether a particular item is suitable for inclusion in the JWOD Program; and
- Ensuring that officials with purchasing or ordering authority buy items on the Committee's **Procurement List**.

Committee for Purchase From People Who Are Blind or Severely Disabled

The Committee is a small, independent Federal agency of the



Federal personnel are the key to making JWOD work!



The Committee for Purchase From People Who Are Blind or Severely Disabled administers the JWOD Program.



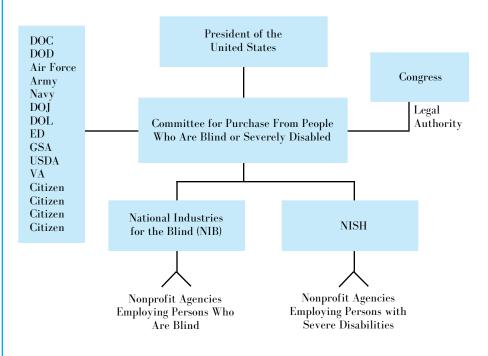
Executive Branch. It is comprised of 15 Presidentially appointed members, 11 of whom represent Governmental agencies (Departments of Agriculture, Air Force, Army, Commerce, Defense, Education, Justice, Labor, Navy, and Veterans Affairs, and the General Services Administration). The remaining four members are private citizens representing the employment concerns of people who are blind or have other severe disabilities, including those employed by nonprofit agencies affiliated with the JWOD Program.

Among its many responsibilities, the Committee:

- ◆ Determines which supplies and services purchased by the Federal Government must be procured from nonprofit agencies employing people who are blind or have other severe disabilities;
- ◆ Establishes the fair market prices for these supplies and services, and revises the prices when appropriate;
- Ensures that nonprofit agencies comply with Committee rules and regulations (through on-site reviews of agency operations, annual certifications and other means); and
- Assists entities of the Federal Government in expanding their JWOD procurement.
- Designates one or more distributors for JWOD items.

To help carry out its mandate, the Committee has a full-time staff located in Arlington, Virginia. The Committee staff reviews proposed supplies and services to ensure that the Committee has adequate data to determine their suitability for addition to the **Procurement List**. Information compiled by the staff is submitted to Committee members for consideration in deciding whether to add the supplies and services to the **Procurement List**.





Central Nonprofit Agencies: NIB and NISH

The JWOD Act directs the Committee to designate "a central nonprofit agency or agencies to facilitate the distribution" of Government orders of **Procurement List** items among nonprofit agencies employing people who are blind or have other severe disabilities. The Committee has designated National Industries for the Blind (NIB) and NISH, which are private organizations, to perform this and other functions that assist nonprofit agencies participating in the JWOD Program. NIB and NISH work closely with contracting activities and nonprofit agencies to match Government requirements with nonprofit agency capabilities.

One key activity NIB and NISH undertake in fulfilling their responsibilities is to visit Government contracting activities to explain the JWOD Program and to explore with Government personnel supplies and services which may be suitable for provision by non-profit agencies. Once a potential **Procurement List** addition is identified, NIB or NISH works closely with the contracting activity to obtain the data needed by the Committee to determine the suitability of a supply or service for the JWOD Program. Other functions performed by NIB and NISH include:

- Obtaining and submitting to the Committee documentation showing that nonprofit agencies wishing to participate in the Program are qualified and legally eligible to do so;
- Inspecting nonprofit agencies to evaluate their qualifications and capabilities and ensure they will be able to provide the supply or service satisfactorily;
- Providing the Committee with data necessary to determine the fair market price for the supply or service under consideration.
- Providing technical assistance and training to nonprofit agencies in such areas as industrial engineering, production planning, quality control, inventory management, human resource allocation, cost analysis, pricing, repricing, procurement, contract administration and processing items for addition to the **Procurement List**:
- Distributing Government orders among nonprofit agencies authorized by the Committee to provide the item;
- Making on-site visits and conducting training sessions to assist nonprofit agencies in complying with Federal contract provisions and the JWOD Act in providing supplies and services;
- ◆ Submitting recommendations to the Committee staff on price adjustments for items on the **Procurement List**, and;
- Acting as a troubleshooter when assistance with a JWOD supply or service is needed by a nonprofit agency or contracting activity.

NIB Structure

The NIB organization is made up of two offices which perform the functions associated with supporting nonprofit agencies employing persons who are blind and meeting the needs of contracting activities. NIB's headquarters staff is located in Alexandria, Virginia, and has responsibility for overall administration, including Government and

What are NIB and NISH?

- Private Nonprofit Organizations
- Not Federal Agencies
- Objective: Provide Jobs and Training for People who are blind or Have Other Severe Disabilities



NIB and NISH have been designated by the Committee to provide nonprofit agencies with the assistance needed to participate in the JWOD Program.

commercial business, military resale, financial management, rehabilitation services, marketing and public affairs, as well as nonprofit agencies' compliance with JWOD regulations. Staff in this office also work with contracting activities and nonprofit agencies to identify potential JWOD items and guide them through the JWOD addition process, and perform other contract administration tasks and program development.

The Technical Center in St. Louis, Missouri, is a major source of engineering support for NIB-associated agencies, and on occasion, for contracting activities. Specialists with diversified expertise research state-of-the-art manufacturing methods and provide technical, preproduction, manufacturing, and quality engineering support. They evaluate and test raw materials, in-process components, and finished goods to ensure they meet customer specifications. In addition, engineers develop special fixturing and workstation modifications that enable people who are blind to participate in the provision of supplies or services.

NISH Structure

The NISH organization consists of a National Office located in Vienna, Virginia, and six Regional Offices, located nationwide. Although NIB and NISH are organized differently (primarily because of the considerably greater number of nonprofit agencies NISH serves), NISH staff engage in many of the same activities as personnel at NIB. For example, the NISH National Office staff is responsible for a variety of tasks, including: back-up engineering support, supply/service identification and development, training, costing/pricing review, contract administration, compliance assistance, fiscal management, marketing, communications, workforce development, research and program development.

The NISH Regional Offices are staffed with project managers, engineers, cost/price analysts, and experts in a variety of different service areas. This decentralized organization facilitates working directly with nonprofit agencies and local offices of contracting activities to identify potential JWOD items and carry out other functions associated with adding supplies and services to the Procurement List. The Regional offices also are NISH's first line of assistance to nonprofit agencies in ensuring the timely provision of those supplies and services already on the Procurement List.

State and Private Nonprofit Agencies

Sometimes referred to as community rehabilitation programs (CRPs), workshops, work centers, industries, or rehabilitation facilities, JWOD-participating nonprofit agencies are organized under State (or in one or two cases, Federal) law and are operated in the interest of individuals who are blind or have other severe disabilities. Most are private charitable organizations; a few are State agencies. To be qualified to participate in the JWOD Program, at least 75 percent of the hours of direct labor performed by the nonprofit agency annually must be performed by workers who are blind in the case of

Hundreds of independent nonprofit agencies nationwide provide a variety of supplies and services to the Federal Government, on time and at fair market prices. agencies associated with NIB and by workers who are blind or have other severe disabilities in the case of agencies associated with NISH. This requirement is to ensure that the JWOD preferential procurement program serves the intended beneficiaries.

What is legal blindness? The JWOD Act and the Committee's regulations define legal blindness as:

central visual acuity which "does not exceed 20/200 in the better eye with correcting lenses or...visual acuity if better than 20/200...accompanied by a limit to the field of vision in the better eye to such a degree that its widest diameter subtends an angle no greater than 20 degrees."

What is a severe disability? The JWOD Act and the Committee's regulations define a severe disability other than blindness as:

"a severe physical or mental impairment (a residual, limiting condition resulting from an injury, disease, or congenital defect) which so limits the person's functional capabilities (mobility, communication, interpersonal skills, self-care, self-direction, work tolerance or work skills) that the individual is unable to engage in normal competitive employment over an extended period of time."

As evident by these definitions, the JWOD Program is narrowly focused on a small segment of the total population of people in society who are blind or have other severe disabilities. With respect to the blind persons served by agencies participating in the JWOD Program, they have historically been older and less educated than the general population. A 1992 survey of JWOD employees revealed that in almost 40 percent of cases, the individuals have a secondary disability in addition to being blind. Within the past two years, NIB has expanded its focus to include college graduates experiencing difficulty in finding first jobs.

Approximately 85 percent of the persons with severe disabilities employed by NISH-associated agencies have mental retardation and/or mental illness, and almost 60 percent have more than one disability. Employment provided by the JWOD Program generates long-term, stable work for these individuals and, where possible, prepares them for competitive employment outside the nonprofit agency.

In order to participate in the JWOD Program, nonprofit agencies, like other Federal contractors, must be able to provide a quality supply or service, on time, at a fair market price. And like other Federal contractors, nonprofit agencies must comply with all regulatory requirements which govern entities that do business with the Federal Government. These requirements include, but are not limited to, environmental regulations and Department of Labor (DOL) regulations, including Occupational Safety and Health Administration (OSHA) and wage and hour requirements.





Nonprofit agencies with JWOD contracts comply with all Federal requirements and are rated by Federal customers as equal or superior to other contractors.

The JWOD Process

A better understanding of how the Program operates can be acquired by considering each of the four phases of the "JWOD Process":

(1) Identification; (2) Development; (3) Committee Review/Decision; and (4) Production/Performance.

The Identification Phase

hat is considered "appropriate" in terms of the types of supplies and services provided by nonprofit agencies under the JWOD Program is limited only by the imagination. One need only consider the variety of supplies and services already on the Committee's **Procurement List** (see chart in the Insert to this Handbook) to confirm this.

Identification of potential JWOD supplies and services usually takes place at the NIB and NISH offices, but these organizations are not alone in the effort. They rely on the assistance of Federal staff and nonprofit agencies too—Federal staff because they know their requirements better than anyone else and nonprofit agencies because they know their capabilities better than anyone else. There are a number of ways the three groups can work together to identify a suitable JWOD supply or service candidate:

- ↑ The Committee's staff and/or NIB or NISH can arrange to brief an agency's personnel on the Program and describe the kinds of projects nonprofit agencies have embarked upon to date. Often, such a presentation prompts Government employees to think of supplies and services they buy which might be suitable for provision by nonprofit agencies. For example, an Air Force officer at the Defense Supply Center-Richmond, Virginia, suggested a service for performance by two JWOD-participating nonprofit agencies. The project involves receiving, storing, and repackaging about 3,500 types of Class 6240 lamps which were previously stocked at 66 different depot locations. As DGSC customers request the supplies, the nonprofit agencies determine the most advantageous shipping method based on delivery requirements. The contract's addition to the JWOD Program resulted in 30 new positions for people who are blind.
- ↑ The Committee staff, NIB, or NISH can coordinate a tour of local nonprofit agencies for Government personnel. Sometimes, seeing the capabilities of the employees and the quality of workmanship assists Federal staff in matching their organization's requirements with nonprofit agency talent. This was the case when the Warner Robins Air Logistics Center personnel toured a nearby nonprofit agency. Their visit prompted them to think of a number of possibilities which ultimately

JWOD Team= Federal Staff NIB and NISH Nonprofit Agencies



- resulted in the addition of several unique services to the **Procurement List**, including one for parts sorting.
- ▶ Federal personnel can check with the Committee staff, NIB or NISH to find out about the types of JWOD supplies and services the organization already buys. Armed with this knowledge, Federal employees may be able to identify projects that are similar or require comparable capabilities. A good example of the identification of similar supplies involves the production of a strap for the Defense Logistics Agency. After addition of one type of strap to the **Procurement List**, other types of straps were identified within the same agency. Variations on the same theme were found in other agencies, such as the Army Materiel Command. The nonprofit agency providing the initial strap now meets several customers' requirements for a similar supply.

There are other ways the JWOD team can work together. For example, NIB and NISH technical staff can cooperate with Government research and development agencies during the design stage to develop supplies which can both meet Government requirements and be provided by nonprofit agencies under the JWOD Program. An example of this approach involved the development of chemical protective clothing for the Marine Corps. Contracting activity and other Federal personnel can also attend national training conferences sponsored by NIB and NISH. These conferences, which are attended by nonprofit agencies and Committee representatives, provide Government staff an opportunity to obtain in-depth information about many aspects of the JWOD Program, and to discuss best practices with nonprofit agency and other Federal agency staff.

The point is, no matter how the interface evolves, the role of the contracting activity during the identification phase cannot be overemphasized. A close review of Federal requirements coupled with a desire to promote and expand the JWOD Program can uncover a myriad of feasible candidates.

Some Federal agency representatives have asked, "Are there certain criteria that should be taken into account as we review our requirements?" In considering suitable candidates, there **are** a number of criteria that make some supplies and services more attractive than others (e.g., the production/packaging is relatively labor intensive; demand for the item is significant; demand is steady over time). But, in view of the unique capabilities of individual nonprofit agencies and the technical assistance rendered by NIB and NISH, it is best not to rule out any possibilities. As a rule of thumb, Federal personnel should recommend to NIB, NISH, or the Committee all projects that seem reasonably possible. These members of the JWOD team can then move forward in investigating the feasibility of adding items to the JWOD **Procurement List**.

In the meantime, as procurement personnel offer suggestions for consideration, NIB, NISH and the nonprofit agency community are on the trail as well, combing the *Commerce Business Daily* and the Federal Acquisition Computer Network (FACNET), contacting military installations and investigating possible leads. Once an opportunity has been identified, the development phase begins.



To help Federal personnel identify potential JWOD candidates, the Committee staff, NIB or NISH can:

- Brief Federal personnel on the capabilities of nonprofit agencies;
- Arrange for Federal personnel to tour local nonprofit agencies;
- Identify JWOD supplies and services already purchased by contracting activities that may assist personnel in identifying projects requiring like capabilities;
- Work with Government R&D agencies during design stages.

During "Development," projects identified are thoroughly investigated to determine whether provision by a nonprofit agency is feasible.



To help determine suitability, a review is undertaken of:

- The current requirement;
- The next contract anticipated;
- Future requirements.



The Development Phase

Although a joint contracting activity/NIB/NISH/nonprofit agency effort is **desirable** to find a potential JWOD supply or service, a cooperative thrust is **essential** to process the project through the development phase.

Contract information is acquired. At this point, an item has been identified as a candidate for placement in the JWOD Program and provision of the supply or service is "reserved" by NIB or NISH for a qualified nonprofit agency whose capabilities and resources appear to be compatible with the Government's requirements. Before proceeding further, the project is fully investigated. The research conducted to determine feasibility is intensive, but necessary; NIB and NISH want to ensure that there are no surprises—for the Government or for the nonprofit agency. NIB and NISH must also be in a position to provide information required by the Committee to determine whether an item is suitable for addition to the **Procurement** List. In their investigation, a thorough review is undertaken of:

- The Current Requirement. NIB or NISH obtains from the contracting activity a copy of the complete, current contract. For supplies, information such as the latest solicitation and amendments, bid abstracts, procurement history, the estimated annual usage quantities, and the anticipated date of the next solicitation issuance and opening may be necessary. For services, similar background material may be requested including the statement of work, any modifications, previous problems and the applicable Wage Determination. Since this information is being obtained in response to Committee requirements, the Freedom of Information Act (FOIA) and associated costs are not applicable. A detailed review of the current requirement helps NIB or NISH to determine the manufacturing process/service tasks required, the direct labor content involved, the material requirements, any capital equipment needed, the amount of space required, and quality assurance requirements.
- ♦ The Next Contract Anticipated. Inclusion of a supply or service in the JWOD Program must be timed properly to ensure a smooth transition from the current contractor to the nonprofit agency(ies). Ideally, an item is added to the **Procurement List** as soon as possible after a contract for the item is awarded to another source. This gives the nonprofit agency(ies), NIB or NISH, and even the contracting activity, the maximum amount of time to prepare for the nonprofit agency's assumption of supply or service responsibility. It also gives the current contractor more time to adjust to loss of the business.

To determine whether there is sufficient time to complete the development and addition process for a particular supply or service before a new contract for that item is awarded, NIB or NISH must obtain certain information from the contracting activity. This information must include the anticipated date of the next competitive solicitation, as well as the anticipated date of the bid opening and the contract performance period. If there is not sufficient time to complete the addition process, development efforts are delayed until after the new award is made, at which point the new award becomes the

current contract and the information described in the preceding paragraph must be obtained with respect to that contract.

◆ Future Requirements. What is the Government's anticipated need for the supply or service in the future? NIB or NISH asks the contracting activity for an estimated annual usage amount and a forecast quantity for the next procurement year to ensure that the nonprofit agency(ies) designated to provide the supply or service can meet the maximum needs required by the Government. Another reason for obtaining this information is to determine whether the requirement might be phasing out or significantly decreasing during the coming years; steady employment for persons holding jobs in the nonprofit agencies is affected by the answer to this question.

Although NIB and NISH must analyze very specific information as part of the development process, the list above is not exhaustive. Depending upon the project, there may be other information required to adequately assess the feasibility of adding a supply or service to the JWOD **Procurement List**. Updates of data already provided may also be required. To ensure that the information collected is comprehensive and current, numerous requests for assistance from contracting activities are necessary. Although this attention to detail may be somewhat inconvenient for agency personnel in the short term, it is critical to assuring a mutually beneficial working arrangement in the long term.

If, after review of all relevant data, it is determined that a high probability exists that the nonprofit agency(ies) will be financially and technically able to manufacture the item or provide the service, and in the process provide employment and training opportunities for people who are blind or have other severe disabilities, the development process continues.

Clearance is obtained. If the project under consideration is a service, further development efforts start immediately. If the project is a supply, however, an additional step is necessary.

When JWOD's predecessor—the Wagner-O'Day Program—was established in 1938, the Government was required to purchase supplies from Federal Prison Industries (FPI) as a first priority and nonprofit agencies affiliated with NIB as a second. In 1971, NISH nonprofit agencies entered the supply priority structure after NIB. This means that before proceeding with the development of a supply, NIB must obtain a clearance from FPI, while NISH is required to obtain a clearance from both FPI and NIB. Such clearances vary from complete waivers of future claims on supplies to partial or short-term waivers. For example, FPI may give NIB or NISH permission to provide a supply until FPI is ready to assume supply responsibility.

Procurement history is finalized. To complete the procurement history on the proposed project, NIB or NISH requests from the contracting activity a two-year procurement history including: Invitation for Bid (or other forms of solicitation) information, dates of solicitations, award dates, contract terms or delivery periods, awardees (including name, city, State and contractor establishment code), award prices and quantities. Sometimes, a sample of the supply is

FEDERAL PROCUREMENT PRIORITIES

Supplies

Federal Prison Industries (FPI)

National Industries for the Blind (NIB)

NISH

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Commercial Sources

Services

NIB or **NISH**

▼

FPI or Commercial Sources

Authority: 18 U.S.C. § 4124(a), 41 U.S.C. § 48, 41 CFR 51-1.2, and FAR (48 CFR) 8.001.



For supplies, NIB and NISH both obtain "clearance" from the Federal Prison Industries, and NISH obtains "clearance" from NIB. During "developement," NIB or NISH also...

...identifies any problems experienced by the current or prior contractors...

...obtains information required to determine whether the requirement is currently being contracted to an 8(a) firm...

...conducts a preliminary analysis to determine if addition of the item to the Procurement List would severely impact the business base of the current or most recent contractor...

...works up a recommended Fair Market Price...



...and assesses the overrall feasibility of the project.

requested. In addition, NIB or NISH asks for information regarding problems encountered by the current or prior contractors in providing the supply or service. With this information, NIB and NISH can alert the nonprofit agency(ies) and alleviate problems before they happen. NIB or NISH also asks for information regarding contracts or commitments under the Small Business Administration's (SBA) 8(a) Program. Although JWOD has priority over the 8(a) Program, the Committee gives special consideration to contracts awarded under 8(a) in deciding whether to add the supply or service to the **Procurement List** and when to permit nonprofit agencies to assume supply responsibility.

Contractor impact is assessed. With the record of the item's recent procurement history in hand, NIB or NISH performs a preliminary review of the potential for severe adverse economic impact on the current supplier as the result of a Committee decision to add the item to the **Procurement List**. The Committee will not add an item to the **Procurement List** where that addition would create such impact on the current contractor. Although the definitive decision on impact is made by the Committee at a later stage, NIB or NISH makes a preliminary impact assessment at this point to ensure efforts are not expended on a project where impact is likely to be too severe.

A recommended "fair market price" is developed. The Committee is responsible under the JWOD Act for determining the price for supplies and services provided by nonprofit agencies and has established detailed procedures for making this determination. NIB and NISH use these procedures and data provided by the contracting activity to develop a "recommended fair market price" that will eventually be submitted to the Committee staff for review along with the project package for the supply or service. The recommended price is not necessarily the price ultimately designated by the Committee – only the Committee has the authority to establish the price for supplies and services under the JWOD Program, and that price is set at the time the supply or service is actually added to the **Procure**ment List. NIB or NISH calculates an estimated fair market price at this point in the process to answer the question, "Is it likely that the nonprofit agency(ies) can produce the item or provide the service, given the fair market price?"

It should be noted that the Committee has streamlined pricing procedures for **small value** services (\$250,000 or less) and supplies (\$100,000 or less). Under these procedures, which are briefly discussed in the Question and Answer section, NIB and NISH provide technical advice and assistance to nonprofit agencies and contracting activities in negotiating prices.

An assessment of the feasibility of the project is conducted. NIB or NISH carefully considers all aspects of project feasibility, including the specific functions to be carried out by people with severe disabilities. This assessment includes an on-site visit to the nonprofit agency(ies) involved or a review of the information collected at a previous site visit. If the assessment reveals that the supply or service can be provided in compliance with the Govern-

ment's quality standards, in adherence to the Government's delivery schedule and at a fair market price, the development phase proceeds.

The final package is submitted to the Committee. For services and supplies whose prices are based on nonprofit agency costs, this package contains detailed data on all cost elements including information on: raw materials; equipment; subcontracts; wages; direct and indirect costs; and actual and standard costs. For supplies whose prices are based on bids, information on raw materials and wages is submitted to the Committee. Also included is data on the number of direct labor hours that will be performed by people who are blind or have other severe disabilities. For projects which require time to train and phase in direct labor workers with severe disabilities, specific information on the phase-in schedule is provided.

The final package is accompanied or preceded by a request from NIB or NISH that the contracting activity conduct a capability survey of the nonprofit agency(ies) proposing to provide the supply or service.

The Committee Review/Decision Phase

The Committee staff performs a preliminary review of the package. During the review, the staff checks:

- ◆ The agency's nonprofit status to ensure that the proposed agency is a nonprofit entity primarily employing people who are blind or have other severe disabilities:
- ◆ The amount of employment to be generated for persons who are blind or have other severe disabilities;
- General information concerning the proposed price to ensure the appropriate method has been used to calculate it;
- ◆ Data gathered thus far on impact of the addition, if any, on the current contractor and on small entities as defined by the Regulatory Flexibility Act of 1980.

A capability survey is requested. Upon receipt of the NIB or NISH request for a capability survey, the Committee gives the contracting activity for the item the opportunity to perform a site survey to determine the production, quality assurance, technical and financial capability of the proposed nonprofit agency to provide the supply or service under consideration. The contracting activity is given the option of waiving the capability survey in the event it agrees with NIB or NISH that the nonprofit agency is capable. In its letter regarding the capability survey, the Committee asks that the survey be performed as soon as possible, normally within 30 or 45 days.

Some nonprofit agencies proposing to add items to the JWOD Program are not in production or prepared to begin production of the item(s) or similar items at the time of an on-site inspection. Instead, they have developed production plans which can be used to assess their capabilities to provide the supply or service in question (41 CFR Part 51-2.4(c)). These production plans address the agency's capability to meet the Government's surge requirements for supplies. The Committee requires that the nonprofit agencies be capable of providing not only the annual quantity estimated by the contracting activ-

NIB or NISH submits the final package to the Committee.

The package is accompanied or preceded by a request that a site survey be performed.

The Committee staff performs a preliminary review.



Publication of the proposed addition in the Federal Register provides interested parties with an opportunity to provide comments





ity, but also at least 25 percent above that estimate. Where estimated peak monthly requirements have been established by the contracting activity, the nonprofit agencies must be capable of providing those requirements.

A notice is published in the *Federal Register*. This notice of a proposal to add a supply or service to the **Procurement List** is normally published after the Committee staff completes its preliminary review of the final package. The public is given a period of 30 days to comment on the proposed addition. The 30-day comment period may be extended by the Committee if the situation warrants.

The Committee staff analyzes all material submitted in conjunction with the proposed addition. During the 30-day period, the Committee staff continues its review of material submitted in conjunction with the proposed addition. This includes an indepth examination of pricing data and, if the contracting activity has performed a capability survey, the results of that survey. If necessary, the Committee staff discusses pricing and the capability survey with representatives of the contracting activity.

When the 30-day period required for public comment has elapsed and the Committee has received all the data it needs from the contracting activity and other sources, a final detailed analysis is performed by the Committee staff. This effort includes a careful review of any comments received regarding the proposed addition, and the acquisition and analysis of any supplemental information needed as a result of comments submitted. Upon completion of the analysis, information concerning the item, including copies of comments received in response to the *Federal Register* notice, is transmitted by the staff to all members of the Committee for a decision regarding the addition.

The Committee members decide whether to add the proposed supply or service to the Procurement List. If the decision is to add the item, a "Notice of Addition to the Procurement List" is placed in the Federal Register announcing the action. Also a "Notice of Change to the Procurement List — Addition" is mailed to the contracting activity. This notice identifies the supply or service, National Stock Number (for supplies), price and effective date. The effective date of the addition is 30 days after the "Notice of Addition" appears in the Federal Register. At that time, the nonprofit agency(ies) authorized to provide the item is responsible for meeting any subsequent Government requirements that are not covered by contracts awarded prior to the effective date (including options which may be exercised for those contracts.)

That sums up the "JWOD Process." On average, the time that elapses between the first formal contact between NIB or NISH and the Committee and the date of addition to the **Procurement List** is approximately three to four months. However, this can vary considerably, as can the significantly greater amount of time between initial item identification and actual addition to the Committee's **Procurement List**. In large part, the amount of time between initial identification and addition depends upon the extent of assistance received

throughout the identification and development phases from contracting activity personnel. The more support provided, the faster the process can go.

The Committee, NIB, and NISH have devoted substantial effort over the years to reducing the amount of time it takes to place an item on the **Procurement List**. Although further acceleration of the process is possible, particularly with increased support from contracting activities, overnight action is neither feasible nor desirable. At least two months of the time required can be attributed to statutory requirements regarding *Federal Register* publication. The remaining time is necessary for ensuring a complete understanding of the project and close attention to the Government's requirements. The JWOD team is dedicated to making a "good match" between the Federal Government and the nonprofit agency(ies) to ensure a reliable supplier over many years.

The Production/Performance Phase

Within 30 days after a supply has been added to the **Procurement List**, NIB or NISH contacts the contracting activity to confirm when the next order is expected and the quantity anticipated. This estimate is then provided to the nonprofit agency(ies) for planning purposes. For services, which usually involve assuming responsibility for particular functions (e.g., janitorial) on a particular day, the nonprofit agency(ies) authorized to perform the service and NISH or NIB continue to work closely with the contracting activity to assure that the service is provided satisfactorily from the outset.

To place an order for JWOD supplies and services, the *Code of Federal Regulations* and the *Federal Acquisition Regulations* specify two methods:

• Under the first—and more common—method, NIB or NISH issues a written "direct order authorization" to the contracting activity authorizing it to transmit orders directly to the non-profit agency(ies) involved. The authorization: (1) indicates the address(es) to which the order should be sent; (2) specifies the service or National Stock Number (NSN), item description, unit and unit price of the supply or price of the service covered by the authorization; and (3) requests that copies of procuring documents (e.g., purchase orders) be forwarded to NIB or NISH.

The documentation required to place an "order" depends upon the contracting activity's normal procedures. For example, GSA activities go through their central ordering channels and a GSA Form 3186 is issued to the nonprofit agency(ies). Department of Defense activities transmit orders to nonprofit agencies via DD Form 1155, regardless of dollar value. Although the specific vehicle used may differ from agency to agency, all orders placed should contain the same basic information, e.g., name and address of nonprofit agency(ies) supplying the supply or service; the authority (i.e., mandatory source: 41 USC 48, 41 CFR Chapter 51 and FAR Subpart 8); the delivery terms (most JWOD supplies are priced F.O.B. Origin and include costs for packaging, packing and marking); an item or service description (for supplies, orders should include NSN,

The time and effort required to place an item on the Procurement List ensure the Government of a quality supply or service.



Documentation required to place an "order" depends upon the agency involved.

NIB and NISH are responsible for allocating orders among multiple nonprofit agencies authorized to supply a supply.



Nonprofit agencies must perform in compliance with the specifications, at a fair market price.

NIB and NISH contract administration staffs are available to assist in the modification of orders to help ensure the Government receives the supplies and services it requires.

Nonprofit agencies understand the importance of on-time delivery.

- quantity, and packaging information); etc. The nonprofit agency(ies) is the contractor, or on rare occasions NIB or NISH.
- Under the second method, which applies only to supplies, NIB or NISH reviews the quantities to be ordered by the contracting activity and, based on a variety of criteria, allocates the order to one or more authorized nonprofit agencies. The allocation process is generally used in situations when there are multiple nonprofit agencies authorized by the Committee to manufacture the same supply. Under this method, the contracting activity is instructed to notify NIB or NISH of its requirement and request the designation of a nonprofit agency(ies) to supply the supply. Prompt responses are provided to such requests. As referenced above, on rare occasions involving complex supplies provided by multiple nonprofit agencies, NIB serves as the prime contractor. In such cases, NIB receives the orders and is responsible for ensuring timely deliveries.

In terms of performance, nonprofit agencies operating under the JWOD Program understand that the Government expects the same of them that it does of other suppliers. All JWOD supplies and services are required to meet the supply specifications or performance work statements. NIB and NISH staff—and occasionally Committee representatives—work with the agencies to avoid problems and ensure that the Government receives high quality supplies and services. This "back-up" assistance is among the greatest benefits offered by the JWOD Program and affects each of the following:

- Modifications of Terms or Conditions. As with other Federal Government contracts, should a need arise to modify the original terms and conditions of a JWOD contract, a written modification signed by the Contracting Officer or the authorized Administrative Contracting Officer, acting within the scope of his/her authority, is required. Depending upon the extent and nature of the change, modifications to the delivery schedule may be appropriate.
- ♦ On-Time Delivery. Nonprofit agencies in the JWOD Program pride themselves on their on-time delivery records. Federal contracting activities report that nonprofit agencies employing persons who are blind or have other severe disabilities perform as well or better than other contractors in this respect. When problems occasionally arise, NIB and NISH join with the agencies to resolve difficulties as quickly as possible, going to great lengths to prevent failures.
- ◆ Purchase Exceptions. In rare instances where a nonprofit agency cannot, for whatever reason, provide the required supply or service within the specified time, and a commercial source is able to supply it significantly sooner than the nonprofit agency, NIB, NISH or the Committee grants a purchase exception. A purchase exception permits the contracting activity to procure the supply or service from another source

on a one-time basis or for a specific period. Purchase exceptions are also granted if the quantity of the supply involved is not sufficient to be furnished economically by the nonprofit agency(ies).

Purchase exceptions deny jobs to persons who are blind or have other severe disabilities which would otherwise be available to them. As a result, nonprofit agency staff, who are dedicated to helping people with severe disabilities succeed, go to great lengths to avoid having to issue purchase exceptions. In addition, contracting activities must fully justify requests for such actions and are urged to work with NIB or NISH to explore such options as a revised delivery schedule, or the involvement of an additional nonprofit agency to produce the supply or perform the service within the required time frame.

- Compliance with JWOD and Federal Regulations. Contracting activities are not held responsible for ensuring nonprofit agency compliance with the JWOD Act and Committee regulations. Monitoring compliance is the job of the Committee, NIB, and NISH. Representatives of these organizations visit nonprofit agencies on a regular basis to observe operations, review files and other documentation, and provide technical assistance. Most NIB agencies have participated in the JWOD Program for many years and have been visited on numerous occasions. NISH agencies are more likely to be new to the Program, and if so, they receive on-site instruction early in the process to ensure that they are familiar with the types of data that must be maintained to meet the Committee's requirements. Both NIB and NISH, and to some extent the Committee staff, offer assistance to nonprofit agencies regarding regulatory areas such as: Affirmative Action practices; DOL regulations; Department of Justice requirements relating to immigration and naturalization, and OSHA standards.
- ◆ Price Changes. In accordance with the JWOD Act, which tasks the Committee to revise its price determinations "from time to time," a process is in place for adjusting the fair market price to compensate for changes in costs. The procedure for repricing varies depending on the dollar value of the project and whether it is a supply or service. For services with sales of less than \$250,000 annually and supplies with sales of less than \$100,000 annually, the nonprofit agency negotiates price changes directly with the contracting activity. The Committee only reviews price changes where the nonprofit agency and contracting activity cannot agree.

For supplies with annual sales of \$100,000 or more, the Committee normally adjusts its prices annually to reflect changes in Producer Price Indexes or Industry Wages issued by the Department of Labor. Under certain circumstances, the prices are adjusted based on changes in nonprofit agency costs.

For services with annual sales of \$250,000 or more, the Committee approves a base price plus four annual follow-on prices. Certain

NIB and NISH will lend a hand to ensure Government receipt of the required end product.

The Committee, NIB, and NISH monitor nonprofit agency adherence to JWOD and other Federal Regulations.

The fair market price is monitored closely to ensure equity to the Government and to the nonprofit agency.



The fair market pricing system relies on contracting officers to ask the Department of Labor for Wage Determination Rates in a timely manner.



cost increases are projected in the follow-on years approved by the Committee. Adjustments are permitted for changes in other costs such as wages and fringe benefits reflected in the Wage Determination issued by the Department of Labor, supply costs, and payroll related costs. Changes in nonprofit agency costs due to changes in the statement of work are negotiated between the contracting activity and the nonprofit agency.

The Committee's Fair Market Pricing Procedures for JWOD contracts take precedence over Federal Acquisition Regulation and other regulatory provisions related to contract pricing.

◆ Specification Changes/Replacement Items. Contracting activities are expected to notify NIB or NISH and the appropriate nonprofit agency(cies) 90 days prior to any changes in product specifications/standards or, for services statements of work. When a Procurement List supply is replaced by another item, the replacement item is considered to be on the Procurement List for provision by the same nonprofit agency(cies) authorized to furnish the previous supply. Again, the contracting activity is expected to advise NIB or NISH and the appropriate nonprofit agency(cies) 90 days in advance of decisions to replace items on the Procurement List with other supplies.



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Process of Adding Items to the Procurement List

NIB/NISH/Nonprofit Agency Responsibility

NIB, NISH, State/private nonprofit agency or contracting activity identifies an item for possible provision.

NIB/NISH requests solicitation and other related documentation from contracting activity, reviews it and, if appropriate, works with a nonprofit agency to determine its interest/capability to provide the item.

For supplies, NIB/NISH requests clearance from FPI (and NIB, if item is requested by NISH).

 $\ensuremath{\mathrm{NISH}}$ conducts a preliminary analysis of the impact of the proposed addition on the current contractor.

NIB/NISH evaluates the overall feasibility of the project, which includes generating a proposed fair market price and assessing (usually through an on-site inspection) the capability of the nonprofit agency(ies) to provide the item at that price.

NIB/NISH proposes addition, providing Committee staff with pricing information and other documentation regarding the addition, including or preceded by a site survey request.

Committee Responsibility

Staff reviews NIB/NISH pricing package/other documentation, and makes preliminary evaluation of impact of proposed addition. (For services, pricing package is also reviewed by contracting activity.)

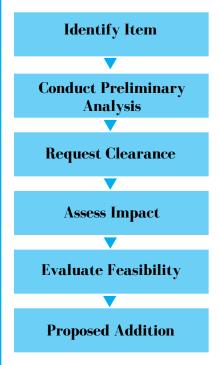
Staff requests contracting activity to inspect the nonprofit agency to assess its capability to provide the item.

Proposed addition is published in the Federal Register for public comment.

Staff completes analysis of the proposed addition, including any comments, and transmits it to Committee members for consideration.

Committee members approve or disapprove the proposed addition.

If the Committee members approve the item, the addition is published in the *Federal Register*. Addition is effective 30 days after it appears in the *Federal Register*, and the nonprofit agency can begin providing the item after expiration of the current contract and any options to that contract that may be exercised.







President Clinton

It begins with an interest.

It helps to have someone overseeing the JWOD Program agencywide.

Federal Employees' Role in the JWOD Process

s indicated in the first section of this Handbook, the participation of Federal personnel is critical to the successful administration of the JWOD Program. Contributions by such employees will not only assure the Federal Government of a reliable source of quality goods and services, but also provide valuable employment opportunities for persons with severe disabilities throughout the United States. Actions Federal agencies and individuals can take to help the Committee achieve the goals of the JWOD Program include the following.

BE INTERESTED!!

Being willing to learn more about JWOD—particularly the capabilities of the individuals the Program serves—and being ready to take action are important first steps. Federal agencies are encouraged to appraise their needs and have appropriate contracting personnel contact the Committee, NIB, or NISH to explore the possibility of having a nonprofit agency employing people with severe disabilities provide certain supplies and services under the JWOD Program!

ESTABLISH A CENTRAL POINT OF CONTACT FOR JWOD.

With the multitude of responsibilities imposed on Federal contracting personnel, some initiatives get "lost in the shuffle." Additionally, the steady stream of personnel in and out of Federal agencies makes it difficult to maintain constant support for the JWOD Program. As a result, the Committee recommends that a central entity or individual be designated to oversee agencywide support of the Program. Duties for the central point of contact would be to assist and coordinate the efforts of the agency in all matters relating to the provision of supplies and services already on the **Procurement List**, and to foster and encourage the identification of new items and services with potential for addition to the **Procurement List**. The largest Federal agencies have designated liaisons who work with the Committee to promote the JWOD Program. The liaisons' names can be obtained from the Committee's staff.

INVITE JWOD REPRESENTATIVES TO SPEAK AT AGENCY FUNCTIONS ABOUT THE MERITS OF JWOD.

Representatives of the JWOD Program make hundreds of visits annually to contracting activities. Many of these visits are for the purpose of briefing Federal personnel on the JWOD Program. Regulations and publications are helpful in explaining how JWOD operates,

but they cannot relay every detail or answer every question, particularly those that may be unique to an agency.

It is for this reason that JWOD representatives visit Federal agencies nationwide. In conjunction with these briefings, samples of JWOD supplies and photographs of individuals performing JWOD services can be furnished to demonstrate the diversity of capabilities of nonprofit agencies. NIB and NISH or the Committee's staff can supply and, if appropriate, accompany portable JWOD Program exhibits, meet one-on-one with individuals, make presentations to large groups, speak in procurement classes, and participate in panel discussions. In short, representatives of the Committee, NIB and NISH are willing and eager to respond to Federal agencies' particular needs for information about the JWOD Program.

CONSIDER ESTABLISHING GOALS IN SUPPORT OF THE JWOD PROGRAM.

There is no question that Federal procurement officials are already burdened with numerous goals. Why establish another? The fact is that everything important to an agency, the head of that agency, and that individual's superior is assigned a goal or objective. Establishing a goal for the JWOD Program says to the staff of the agency that the JWOD Program is important. It is also one method of institutionalizing in-house support for JWOD. Setting goals ensures that everybody—every year—will be working to advance and expand the Program.

There are a number of variables that can be used for goal-setting. Examples include annual goals for:

- The number of supplies/services identified and referred for possible inclusion in the JWOD Program;
- The number of jobs for people who are blind or have other severe disabilities resulting from additions to the **Procure**ment List;
- ◆ The dollar value of new additions to the **Procurement List**; and
- ◆ The dollar value of orders under the JWOD Program;

Combinations of the above are possible, and there may be other appropriate goals. The important thing is to establish some criteria for measuring agency participation in JWOD contracting since such an action is a statement of support for the Program and the people it serves.

GIVE CREDIT FOR ACCOMPLISHMENTS RELATED TO THE JWOD PROGRAM IN EMPLOYEE PERFORMANCE EVALUATIONS.

When employees receive positive recognition for particular actions, those actions are likely to be repeated in the future. Federal agencies can demonstrate their commitment to increasing support for the JWOD Program by acknowledging JWOD accomplishments in employee performance evaluations. Agencies might choose to follow

Presentations at agencies help to expand awareness of JWOD.



Setting goals serves to institutionalize support for the JWOD Program.



Employees should be rewarded for supporting JWOD.



On-site visits to nonprofit agencies permit "firsthand" observation of the capabilities of employees.

People who are blind or have other severe disabilities can provide a wide range of supplies and services. the lead of the Air Force and Navy, which have established annual awards to recognize individuals and/or units that have contributed significantly to the advancement of the JWOD Program.

VISIT A LOCAL NONPROFIT AGENCY.

With more than 600 nonprofit agencies already participating in the JWOD Program and numerous others "waiting in line" for a JWOD item, Federal employees should have no problem in locating an agency to visit. Such on-site visits provide an excellent setting for Federal personnel to learn more about nonprofit agency operations and the capabilities of employees. Sometimes, during a visit, a potential project can be identified that was previously overlooked. The Committee, NIB and NISH stand ready to assist in making arrangements for Government representatives to visit nonprofit agencies serving people who are blind or have other severe disabilities.

EXAMINE REQUIREMENTS AND SUGGEST SUPPLIES AND SERVICES NONPROFIT AGENCIES COULD PROVIDE.

The diversity of capabilities found within JWOD nonprofit agencies is staggering. Currently nonprofit agencies provide everything from paper clips to ballpoint pens, from picture frames to sweatsuits, from currency packaging to microfilming, from sailors' caps to canteens and a variety of products and services in between. One of the biggest favors Federal employees can do for their agencies and the JWOD Program is to carefully review agency requirements and explore the feasibility of provision by nonprofit agencies. Often this role is best performed by requirements, engineering, or facilities personnel. To assume that there are any limits on the supplies and services that can be provided under the JWOD Program would be a mistake that could cost an agency an opportunity to secure a reliable source of needed supplies and services.

ASSIST NIB AND NISH DURING THE DEVELOPMENT PHASE.

"Development" is one of the most critical phases of placing items on the **Procurement List**. Arming nonprofit agencies with all the relevant data needed to thoroughly review the project and assess its feasibility benefits them and the Federal agency involved by assuring that the requirement is fully understood and complied with. Information required during development includes data regarding:

- ◆ The procurement history, including IFB numbers, dates of solicitations, award dates, contract terms and delivery periods, information on awardees, award prices and quantities, and any problems experienced in conjunction with the item.
- ◆ The current requirement, including the complete current contract, performance specifications, area scale drawings, work statements and any contract modifications; and
- Future requirements, including the next contract anticipated and expected subsequent requirements (annual usage amount).

With contracting activities' help, time spent on "development" can be significantly reduced and progress through the JWOD addition process can be expedited.

LEND A HAND IN STREAMLINING THE CAPABILITY SURVEY PROCESS.

As explained in a preceding section, the Committee provides contracting activities an opportunity to inspect the facilities and plans of nonprofit agencies proposing an addition to the **Procurement List**. The Committee normally requests that such capability surveys be completed within 30 to 45 days. Unfortunately, many survey results take considerably longer to reach the Committee, thereby delaying the addition process. Contracting activity procurement staff can do two things to assist in expediting the capability survey process.

- ♦ Be persistent in following up on the request for a capability survey. Attempt to establish the earliest date by which the survey can be accomplished and regularly check to ensure the inspection is "on target." One phone call may be all that is needed to advance the survey process.
- Recognize and instruct those responsible for conducting capability surveys that nonprofit agencies must demonstrate that they have the capability—or a specific plan for achieving the capability—to perform. A nonprofit agency that does not have a production line in operation should not fail the capability survey if it provides the inspector a plan that satisfactorily addresses how the work will be accomplished within specified time-frames. The Committee's regulations (41 CFR Part 51-2.4(c)) require only that a nonprofit agency has the capability to meet the Government's quality standards and delivery schedules by the time it assumes responsibility for supplying the requirement under the JWOD Act.
- Notify the Committee as soon as possible of the survey results; don't wait for the Committee to come back and ask for them. The nonprofit agency's opinion of the inspection results is not sufficient to proceed with the addition.

BUY PROCUREMENT LIST SUPPLIES IDENTIFIED IN GSA AND OTHER CATALOGS, AS WELL AS GSA ADVANTAGE! ON-LINE SHOPPING SERVICE.

The JWOD Act requires that supplies and services which appear on the Committee's **Procurement List** be purchased from the supplier designated by the Committee. This requirement is reflected in the *Federal Acquisition Regulation* (FAR 8.704), as well as the Committee's regulations (41 CFR 51-5.2). In the case of services and specialized supplies, such as those made for Defense Logistics Agency Commands, Federal procurement staff purchase JWOD items because they have no other options.

Federal employees might not, however, automatically think to purchase JWOD supplies stocked by GSA or other authorized distributors (e.g., office supplies, furniture, and paint). Instead, these Supplying complete information on the requirement assures a quality product or service.



Expediting the site survey accelerates the overall JWOD addition process.

Buy JWOD From GSA

Procurement of JWOD products and services is mandated by law.

JWOD/NIB/NISH items are identified in GSA Catalogs, GSA Advantage! On-Line Shopping Service, and catalogs for other authorized JWOD product distributors.

Long-term acquisition methods ensure efficiency for both contracting activities and nonprofit agencies.



types of items are sometimes procured from private sources without reference to GSA or other catalogs, where they are clearly marked as mandatory source items. In such cases, people who are blind or have other severe disabilities are deprived of the much needed employment that would be generated by Federal purchases of JWOD items.

To ensure that people with severe disabilities benefit from the JWOD Program as Congress intended, it is essential that Federal personnel with requirements for office supplies, furniture, and other types of items stocked by GSA use the GSA catalogs, including those published by GSA Customer Supply Centers; GSA Advantage!, an on-line shopping service; or catalogs published by several commercial firms under a new GSA Multiple Award Schedule for next-day, desktop delivery of office supplies (GSA Schedule 75 III A). These sources of product and ordering information clearly identify JWOD supplies, making it easy for Federal personnel to obtain the items they need, while providing work for people who are blind or who have other severe disabilities. All of these JWOD distributors accept the Government IMPAC Purchase Card as a payment method.

WORK TOWARD MULTIYEAR OR OTHER LONG-TERM ACQUISITION METHODS TO SMOOTH OUT PEAKS AND VALLEYS IN DEMAND.

The JWOD Program was established to provide long-term employment opportunities for persons who are blind or have other severe disabilities employed by nonprofit agencies. The process of adding a supply or service to the Committee's **Procurement List** accomplishes this objective; however, sometimes nonprofit agencies experience time lags between orders or receive requests for widely variable quantities. An initiative was undertaken by the Defense Logistics Agency in 1988 to address this problem by leveling out orders for supplies purchased under JWOD. The initiative called for more long-term acquisition planning for JWOD supplies to facilitate continued employment and development of job skills for persons who are blind or have other severe disabilities, while at the same time ensuring steady production of needed supplies for the Government.

Most GSA contracts for supplies are for a five-year or indefinite period. In addition, GSA has initiated a vendor-managed inventory program wherein nonprofit agencies with good performance records are permitted to manage depot stock levels for selected items. This permits the nonprofit agencies to schedule production and delivery on a more even basis.

By implementing long-term and multiyear acquisition methods as a means of smoothing out peaks and valleys in orders, production line stoppages are minimized and the need for lengthy retraining of individuals who are blind or have other severe disabilities is eliminated. In addition, nonprofit agencies are in a better bargaining position with their suppliers inasmuch as they can make longer term commitments for greater quantities, thereby saving money for the Government. This approach reduces Federal costs because agencies do

not issue repetitive orders for ongoing requirements and allows for more uniform inventory management. The Committee encourages all Federal personnel to consider similar initiatives.

SUGGEST IDEAS TO STREAMLINE THE JWOD PROCEDURES.

No one knows the "ins and outs" of the Federal procurement arena better than contracting personnel. The Committee welcomes suggestions for streamlining either the JWOD addition process or the procedures used to reprice **Procurement List** items. Recommendations should be made to NIB, NISH, or Committee staff.

TELL FEDERAL COLLEAGUES ABOUT JWOD PROGRAM SUCCESS STORIES.

Word of mouth is a powerful tool. If a JWOD contract for grounds maintenance, mailroom operations, or other service is far exceeding a contracting activity's expectations, the Committee urges the Federal staff involved to spread the word. Similarly, if the supply now purchased from a JWOD nonprofit agency eliminated the delinquency problem with the last contractor, coworkers should be advised. Alerting others to JWOD successes can benefit the Federal Government and people who are blind or have other severe disabilities. Reminding other Federal employees to look in GSA or other distributors' catalogs for JWOD supplies can also produce benefits.

ATTEND THE NIB AND NISH CONFERENCES.

The NIB and NISH conferences offer unique opportunities to learn about the benefits of the JWOD Program. There is no registration charge to Federal personnel for attending these events. By participating, contracting activity representatives have the opportunity to:

- Receive instruction in the mechanics of the Program;
- Talk to members of the nonprofit agency community and learn of capabilities that could be valuable to their agencies;
- ◆ Ask questions of NIB and NISH and the Committee regarding the operation of the JWOD Program; and
- ◆ Confer with other Federal agency representatives regarding their JWOD experiences at "Best Practices Sessions."

Contracting activities can even arrange to have an exhibit to show nonprofit agencies the types of supplies and services procured by their agencies. Together Federal and nonprofit agency personnel may identify a good candidate supply or service for addition to the **Procurement List**. Conferences are held every year at a different location to attract attendees nationwide. Information about the next NIB conference can be obtained from NIB's Headquarters in Alexandria, Virginia, while the NISH National Office in Vienna, Virginia, can provide information on the next NISH conference.

Streamlining also increases efficiency.

Spread the word about good experiences under the JWOD Program.



An intensive course in the JWOD Program is offered annually at conferences.

Twenty-Five Commonly Asked Questions... and Twenty-Five Answers

1. What Are the Advantages of Contracting Under JWOD?

There are many advantages to contracting under the JWOD Program, beginning with the provision of a high-quality product or service when it is needed and at a reasonable price. Another advantage is the back-up help NIB and NISH staff provide, which can involve solving any problems that may arise, helping revise specifications or statements of work, and finding another nonprofit agency to handle increases in workload. Once an item is added to the Procurement List, the future administrative burden of the contracting activity is significantly reduced, since it is no longer necessary to conduct periodic procurements. Finally, there is the satisfaction of knowing that people who are blind or have other severe disabilities are able to lead more productive and independent lives, pay taxes, help support families, and join in the American work experience as a result of JWOD contracts.

2. What Are Some Examples of the Types of Supplies and Services Nonprofit Agencies Can Provide?

The nonprofit agencies' interests and capabilities are widely varied, as might be expected for any group of small businesses. The fact that most of their employees are blind or have other severe disabilities is not as relevant as the fact that such individuals possess an impressive range of capabilities. Supplies and services being provided to the Federal Government by nonprofit agencies under the JWOD Program can be identified in several publications, including the General Services Administration (GSA) Supply Catalogs, the GSA Advantage! On-line Shopping Service, the JWOD Office Supply Catalog due out in January 1997, and several brochures and videos available from the Committee, NIB or NISH. Reviewing these publications should assist Federal personnel in thinking of ideas for supplies and services that nonprofit agencies could provide their organizations. In recommending candidates for addition to the Procurement List, contracting activity personnel should avoid making assumptions about the capabilities of persons who are blind or severely disabled. As the JWOD experience has amply demonstrated, people with severe disabilities perform a wide range of tasks, and many are highly selfmotivated and have a great sense of personal pride and responsibility



I WANT YOU

for their work. They are supported by supervisors and staff members who, through education and training, are thoroughly schooled in efficient production systems, service methods and management techniques. Nonprofit agency staff are highly motivated to ensure that their employees succeed, since failure would thwart the rehabilitation process. The Committee, NISH, and NIB appreciate referrals from contracting activities of any requirements that may be suitable. Service referrals should be directed to NIB's Government and Commercial Business Division, the NISH National Office or the Committee staff. Service referrals should be sent to the NIB's Government and Commercial Business Division, to the NISH Regional Office serving the area involved, or to the Committee staff.

3. Where Do NIB and NISH Derive their Responsibilities Under the JWOD Program?

The JWOD Act directs the Committee to designate one or more "central nonprofit agencies" to assist nonprofit agencies serving persons who are blind or have other severe disabilities participate in the JWOD Program. In response, the Committee designated NIB and NISH, whose JWOD responsibilities, which are listed in 41 CFR Part 51-3, include a wide range of assistance to nonprofit agencies. NIB and NISH are funded primarily through fees paid to them by nonprofit agencies on sales of JWOD items. The fee provides NIB and NISH with the resources to help not only nonprofit agencies already participating in the JWOD Program, but other agencies with the potential to participate.

4. Do NIB and NISH Provide Technical Assistance to Nonprofit Agencies that Desire to Bid Competitively on Small Business or Other Contracts?

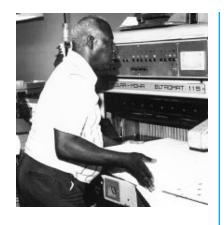
In general, NIB and NISH do not provide technical assistance in these instances because their resources are needed for the JWOD Program.

5. How Do Personnel in Federal Agencies Who Have Purchasing Authority Know What Items Are on the Procurement List?

Items which are on the Procurement List are clearly identified in GSA and DLA catalogs (either print or electronic). In addition, the Committee notifies the pertinent contracting activity of all Procurement List additions, prices, price changes, and other actions affecting a particular item. The Committee is also attempting to ensure that Procurement List items are identified in agencies' automated procurement systems. The Committee no longer publishes an annual Procurement List catalog. That document, which was always out-of-date before it was disseminated, has been replaced by this Handbook and a JWOD Catalog of office supplies and general-use items. The Committee will also provide an up-to-date summary listing (by NSN for services; by type of service and location for services) of items on the Procurement List to interested parties.







6. What type of contract documentation should be used to contract or place an order under the JWOD Program?

The minimum contract documentation a Federal agency considers necessary for an "other than competitive" procurement under the Competition in Contracting Act (CICA) should be used for orders and contracts under the JWOD Program. JWOD orders and contracts are exempt from the justification requirement that normally applies to "other than competitive" procurements. Because there is no competition and the Committee sets the price, there is no need for a solicitation document. The contracting document should, however, describe the service (and quantity) or service to be procured, the contract period, payment procedures, delivery schedule, applicable wage rates, and other information necessary for both sides to understand the details of the procurement.

7. Does the Committee Have Priority Over All Other Suppliers to the Government?

The JWOD Program takes precedence over all other procurement preference programs with respect to services and all except Federal Prison Industries (FPI) with respect to supplies. This means that the Committee can consider for addition to its Procurement List any service purchased by the Government and, upon clearance by FPI, any product purchased by the Government. FPI provides both full and partial waivers on particular services. Under an agreement with FPI, if FPI provides a full waiver for a service and the Committee places it on the Procurement List, FPI's priority is no longer in effect for that item, which must thereafter be purchased from the source designated by the Committee. If FPI provides a partial waiver, the circumstances vary depending upon the nature of the waiver. Within the JWOD Program, nonprofit agencies affiliated with NIB have priority over agencies affiliated with NISH for supplies. As a result, the Committee will not place a supply on the Procurement List for provision by a NISH-associated agency unless NIB has agreed to the action. Nonprofit agencies associated with NIB and NISH have equal priority for services.

8. Are Government IMPAC Credit Card Users Exempt from Buying JWOD Supplies?

No! Government credit cardholders are—like all other Federal employees—required to buy JWOD supplies produced by designated nonprofit agencies. In the case of office supplies, GSA accepts credit cards and the additional authorized JWOD distributors also accept such cards. Federal personnel should use credit cards to purchase locally only if the items required are not available through the JWOD Program.



9. How does the Federal Acquisition Streamlining Act of 1994 affect the JWOD Program?

The statutory requirement to buy JWOD items continues under the Federal Acquisition Streamlining Act of 1994 (FASA). At the same time, current emphasis on decentralized and more flexible procurement necessitates greater awareness of the JWOD Program among Federal customers. The JWOD Program is not waived, superseded or bypassed by any of the following FASA provisions:

- Micropurchasing Authority: Lifts many requirements on purchases under \$2,500, but does not exempt Federal employees from the legal requirement to buy JWOD supplies, regardless of how small the dollar value.
 - Permits "non-contracting" employees to use Purchase Cards, but not to buy commercial products which are essentially the same as JWOD items.
- Buying "Off the Shelf": Agencies are no longer required to buy unique, Government-specified items, but are not permitted by this provision to substitute commercial items for JWOD products.
- ◆ Simplified Acquisitions under \$100,000: Unlike some procurement laws, the JWOD Act remains applicable under this threshold.

10. Must Nonprofit Agencies Win a Contract Competitively Before Adding it to the Committee's Procurement List?

No! While the JWOD process includes procedures to ensure a fair market price, it does not include any requirement or provision for bidding competitively. Instead, after all of the steps have been taken and the necessary requirements met, the Committee decides whether to add the service or service to the **Procurement List**. If the item is added, future purchases (i.e., after any current contract, including options, for the service or service expires) must be made from the nonprofit agency(ies) approved by the Committee.

11. Can Nonprofit Agencies Bid Competitively on Federal Contracts?

Nonprofit agencies serving persons with severe disabilities are in a unique position. Agencies that contract with the Federal Government do so through JWOD because of the stability and longevity that JWOD jobs offer to their employees. But nonprofit agencies are eligible to participate in Federal contracting through other means, too. Nonprofit agencies may participate in the unrestricted, competitive bidding process as long as they participate under the same terms and conditions as other commercial offerors and meet all requirements set forth in the Government's solicitation. Once awarded a contract, the nonprofit agency can then propose the item for addition to the Procurement List.



12. Can Requirements that are Currently Set Aside for and Being Performed by Small Businesses Be Added to the Procurement List?

Yes. Requirements set aside for small businesses and being performed by small business firms may be added to the Procurement List for future provision by a nonprofit agency under the JWOD Program. The Javits-Wagner-O'Day Act and the Small Business Act both created preferential programs designed to provide certain types of organizations an opportunity to participate in Federal contracting. But the two pieces of legislation differ in that the JWOD statute makes it mandatory for Government entities to procure items designated by the Committee, whereas the Small Business statute gives the contracting agency discretion as to whether there will be a small business set-aside (Comptroller General Decision, Files B-185802 and B-187235, March 11, 1977, 77-1 CPD 184). Similarly, the contracting activity has the discretion to decide whether a particular procurement will be set aside for labor surplus areas or for small and disadvantaged businesses, while the JWOD Act (41 U.S.C. 46-48c) gives no discretion to the contracting activity.

13. Can Requirements that are Currently Set Aside Under the 8(a) Program Be Added to the JWOD Procurement List?

The law permits it, and such requirements are added to the Procurement List while they are being provided by an 8(a) contractor. However, the Committee has voluntarily adopted a policy which allows SBA to continue to contract with the current 8(a) contractor for such requirements until that contractor graduates from the 8(a) Program. Upon the contractor's graduation, the mandatory requirements of the JWOD Act take effect. This policy does not apply to competitive 8(a) procurements.

14. What is "Severe Adverse Impact?"

One of the factors considered by the Committee in determining whether a service or service is suitable for addition to the JWOD Program is the level of impact such an addition would have on the current contractor for that item. Any action which places a service or service in a new procurement category, such as the JWOD or 8(a) Program, may have an adverse impact on the firm that currently supplies the item. The question is, "Is such impact severe?" To the Committee, severe adverse impact is that level of impact which might weaken the business base of the contractor to the extent that the firm's viability could be in jeopardy. Such a level of impact is not acceptable to the Committee and, if the Committee determines that severe adverse impact might result from a proposed addition, the service or service in question may be dropped from consideration. Sometimes the Committee places only a portion of the Government requirement for a particular item on the Procurement List to avoid



having a severe adverse impact on the current contractor. Even if an item is dropped from consideration because of impact concerns, it may be re-evaluated at a later date.

15. Is the JWOD Program Covered by A-76?

Office of Management and Budget (OMB) Circular A-76 addresses the contracting out of services currently being performed by Government employees. The Circular recognizes preferential procurement programs and is not intended to interfere with the contracting activity's efforts to make awards under mandatory source programs such as JWOD. A formal cost comparison is not required for such awards. Newly identified requirements are also covered by A-76 and are excellent candidates for JWOD set-asides. When a new requirement for a commercial service is established, the service may be added to the Procurement List for performance by a nonprofit agency under the JWOD Program without commercial competition or a formal A-76 cost comparison. As new requirements arise, contracting activities may wish to consider offering them first to NISH or NIB.

16. Does the Competition in Contracting Act inhibit the Use of the JWOD Program?

No. Because the JWOD Program is a statutorily mandated source, JWOD procurements are considered "other than competitive" procurements under the Competition in Contracting Act (CICA). Also, CICA specifically exempts JWOD procurements from the justification requirement which normally applies to "other than competitive" procurements.

17. Can a Contracting Activity Establish a Contract With the Nonprofit Agency During the Addition Process?

Yes, if permitted by the Federal Acquisition Regulation. Contracting activities are cautioned not to use JWOD (41 U.S.C. 46-48c) as justification on a contract or on a determination and findings (D&F). Provision of services and services by nonprofit agencies under the authority of the JWOD Program cannot take place until after the effective date of addition to the Procurement List. The Committee alone is authorized to establish the fair market price for a JWOD service or service, and proposed additions under JWOD are not legally binding until approved by the Committee.

18. Can Contracting Activities Request that "One-Time" Requirements Be Designated for Nonprofit Agencies?

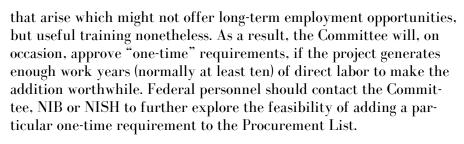
Services and services produced under the Program are generally ones for which a continuing need exists—projects that will allow for uninterrupted employment for persons who are blind or have other severe disabilities. However, while the ideal candidate is one that will provide ongoing, stable employment, there are one-time requirements





Contracting activity personnel hold the key to timely pricing of contracts' follow-on years.





19. Does the Committee Ever Place a Portion of the Total Government Requirement for an Item on the Procurement List?

Occasionally, the Committee adds only a portion of the Government's requirement for a particular service or service to the Procurement List. This approach is normally followed because to take the entire Government requirement would have a severe adverse impact on the current contractor, although it may also be taken if the Government's requirements exceed the capability of the nonprofit agency or agencies proposing to provide the item. In such cases, a portion of the requirement is obtained through the JWOD Process, while the remaining portion is competitively procured from commercial sources. The Committee has outlined specific guidelines for processing additions of this type, and considers the contracting activity's views prior to adopting such an approach.

20. How Long Does the Addition Process Take?

The process for adding a requirement under the JWOD Program (see chart on page 21) varies greatly, but is influenced to some extent by the assistance rendered by contracting activities. The addition of the "average" item takes six to nine months to process, from initial identification to publication of the addition notice in the Federal Register.

21. When Are Service Prices Changed?

Services are repriced annually.

For services with an annual value less than \$100,000, price changes are directly negotiated between the nonprofit agency (with advisory assistance by NIB or NISH) and the contracting officer.

♦ For services valued at \$100,000 or more, the Committee normally revises fair market prices annually based on changes in the appropriate U.S. Department of Labor Producer Price Index on Industry Wage Codes. Prices may also be adjusted based on changes in nonprofit agency costs when the annual price is not sufficient to cover costs to produce the service involved or the contracting activity objects to the price established based on the producer price index.



22. When Are Service Prices Changed?

Services are repriced annually.

- ◆ Services with an annual value less than \$250,000 are repriced annually through direct negotiation between the nonprofit agency and the contracting officer with assistance from NIB or NISH.
- ◆ In the case of services with a value of \$250,000 or more, the Committee approves a base plus four follow-on year prices which include price growth for all costs other than wages and fringe benefits.

The actual prices to be paid for the second through fifth year (follow-on years) are negotiated between the contracting officer and the nonprofit agency, with NIB or NISH assistance to reflect changes in nonprofit agency costs to the extent permitted by Committee procedures. Federal personnel are responsible for initiating the follow-on year pricing process by forwarding to the nonprofit agency and NIB or NISH at least 90 days before the beginning of the new service period: (1) a copy of the new Department of Labor Wage Determination, (2) a completed SF 98/98a, and (3) a copy of the Statement of Work. Timely submission of these documents to the nonprofit agency and NIB/NISH will provide for the establishment of a revised price prior to the commencement of the new service period.

23. Is There Any Regulatory Basis for Individuals to Recommend Services/Services for Addition to the Procurement List?

Yes, 41 CFR Part 51-5.1(a) encourages those concerned with procurement to recommend services/services which appear suitable for procurement by the Government from nonprofit agencies under the JWOD Program. Recommendations should be sent to the Committee, NIB, or NISH.

24. How Are Protests, Disputes and Appeals Handled Under the JWOD Act?

In the event that a contracting office and nonprofit agency disagree over the terms or conditions of a JWOD service or service contract, the NIB Government Business and Commercial Division or the appropriate NISH Regional Office should be immediately contacted for help in finding a satisfactory solution. If the disagreement cannot be resolved, the matter is referred to the Committee's staff for resolution. The contracting officer(s) decides those questions which relate to interpretation of contract provisions unless they are in conflict with the JWOD Act or regulations.





25. Is the JWOD Program Really Necessary in Light of the 1990 Enactment of the Americans with Disabilities Act (ADA)?

Yes. The landmark ADA legislation assures basic civil rights for persons with disabilities, including the provision of reasonable accommodations by employers. While it is already making a difference in the lives of people with disabilities, it has not and was not expected to provide jobs for all people with disabilities who want to work. The unemployment rate among such individuals remains extremely high. Moreover, the vast majority of persons with disabilities employed under the JWOD Program are not currently capable of competitive employment. Eventually they may benefit from the ADA's reasonable accommodations provision, but they and their unemployed counterparts who are in line for future JWOD jobs are not now in a position to do so. Because the ADA has not been in place for an extended period of time and there are so many other factors that affect the employment prospects of people with severe disabilities, it is difficult to accurately assess the impact ADA will have on the JWOD Program. However, it is expected that it will provide more competitive employment opportunities for those who obtain work skills through the JWOD Program. It is also expected that the ADA will generate more demand among people with severe disabilities and their families for JWOD jobs since it has raised their expectations and aspirations with respect to the possibility of obtaining productive employment.

More Information is Available From:

Committee for Purchase From People Who Are Blind or Severely Disabled:

1735 Jefferson Davis Highway Crystal Square 3, Room 403 Arlington, Virginia 22202-3461 Telephone: 703-603-7740 FAX: 703-412-7113

National Industries for the Blind:

Headquarters

1901 North Beauregard Street, Suite 200 Alexandria, Virginia 22311-1727 Telephone: 703-998-0770 FAX: 703-998-8268 Internet: www.nib.org

Technical Center

13665 Lakefront Drive Earth City, Missouri 63045-1401 Telephone: 314-739-8005 FAX: 314-739-0841

Customer Service Hotline 800-433-2304

NISH:

Headquarters:

2235 Čedar Lane Vienna, Virginia 22182-5200 Telephone: 703-560-6800 FAX: 703-849-8916 Internet: www.nish.org

NISH East Regional Office

2236-C Gallows Road P.O. Box 686 Dunn Loring, VA 22027-9998 Telephone: 703 560-6610 FAX: 703-849-8741

NISH South Regional Office

60 Chastain Boulevard Suite 66 Kennesaw, GA 30144 Telephone: 770-424-9093 FAX: 770-426-7666

NISH North/Central Regional Office

1400 East Touhy Avenue, Suite 140 Des Plaines, IL 60018 Telephone: 847-699-8890 FAX: 847-699-0392

NISH South/Central Regional Office

2701 Avenue E, East, Suite 402 Arlington, TX 76011 Telephone: 817-649-5419 FAX: 817-652-1032

NISH West Regional Office

4615 First Street Pleasanton, CA 94566 Telephone: 510-417-6880 FAX: 510-417-6888

NISH Northwest Regional Office

200 West Mercer, Suite E, 103 Seattle, WA 98119 Telephone: 206-285-6160 FAX: 206-285-8558

